

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial & Insurance Regulation**

**In the Matter of:**

**AMEX Assurance Company**

**Enforcement Case No. 10-10948**

Lic No: 36-2760101

Respondent.

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Issued and entered  
on 3/9, 2011  
by Stephen R. Hilker  
Chief Deputy Commissioner

**CONSENT ORDER AND STIPULATION**

**FINDINGS OF FACTS AND CONCLUSIONS OF LAW**

1. At all pertinent times involved herein, AMEX Assurance Company (Respondent) was a licensed insurance entity authorized to conduct business in the State of Michigan.
2. Respondent issued certificates of coverages to Michigan residents for Executive Baggage Protection, Baggage Delay Loss Protection, Premium Baggage Protection, Identity Protection, and Business Identity Protection beginning in late 2008 under a group policy of insurance issued outside of Michigan.
3. Respondent mistakenly believed at the time it began writing these coverages in Michigan that rates were not required to be filed for these types of "inland marine" products. Upon doing a self-audit in early 2010 Respondent questioned whether its previous interpretation of applicable law was correct, and contacted the Office of Financial and Insurance Regulation (OFIR) for clarification.
4. Upon being advised by OFIR that rate filings were in fact required for these products, Respondent promptly filed the rates and the rates were approved by OFIR on April 29, 2010.
5. Nevertheless, Respondent had reason to know that Section 2606(1) of the Code provides that every insurer shall file with the commissioner every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated.
6. Respondent knew or had reason to know that, pursuant to Section 2670 of the Code, the Commissioner may impose a civil fine for violation of Chapter 26, not to exceed \$10,000.00.

7. Since the launch date of these products until April 29, 2010, Respondent had 31,147 enrollees and had collected \$744,954 in premiums.
8. Respondent failed to file its rates and rules in accordance with the above statutes from the date it began issuing certificates in Michigan in late 2008, until it voluntarily and on its own initiative suspended sales in Michigan on or about March 24, 2010, pending clarification from OFIR on whether rate filings were required and, if so, making and receiving approval of such filings.
9. Respondent self-reported this matter, corrected it promptly, and has been fully cooperative with OFIR at all times.


**Conclusion**

1. Based on the facts listed above, Respondent has violated Section 2606(1) of the Code, MCL 500.2606(1).
2. Finally, based upon the actions listed above, Respondent has committed acts that are grounds for the Commissioner ordering payment of a civil fine under Section 2670 of the Code, MCL 500.2670.

**ORDER**

Based on the findings of fact and conclusions of law above, and Respondent's stipulation to said facts, it is hereby **ORDERED** that:

1. Respondent shall pay to the State of Michigan, through OFIR, a civil fine in the amount of \$2,500. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.

  
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Stephen R. Hilker  
Chief Deputy Commissioner

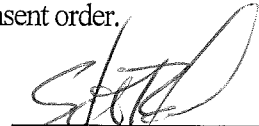
STIPULATION

Respondent has read and understands the consent order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. Respondent waives the right to a hearing in this matter if this consent order is issued. Respondent understands that this stipulation and consent order will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this consent order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondent admits the findings of fact and conclusions of law set forth in the above consent order and agrees to the entry of this order. Respondent admits that both parties have complied with the procedural requirements of the Michigan Administrative Procedures Act and the Insurance Code. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

  
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AMEX Assurance Company  
By its: President

Dated: 2/28/2011

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above consent order.

 P68335  
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Scott Basel (P68335)  
Attorney

Dated: 3-8-11